

## BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ) APPEAL NO. 06-A-2178  
MICHAEL FRANEK from the decision of the ) FINAL DECISION  
Board of Equalization of Latah County for tax ) AND ORDER  
year 2006.

## RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 24, 2006, in Moscow, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Michael Franek appeared for himself. Assessor Patrick Vaughn, Senior Deputy Assessor Susan Ripley and Appraiser Jerry Coleman appeared for Respondent Latah County. This appeal is taken from a decision of the Latah County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RPM08600090070A.

**The issue on appeal is the market value of residential property.**

**The decision of the Latah County Board of Equalization is affirmed.**

## FINDINGS OF FACT

The assessed land value is \$32,760, and the improvements' valuation is \$138,600, totaling \$171,360. Appellant requests the land value be left at \$32,760, and the improvements' value be reduced to \$117,240, totaling \$150,000.

Subject property is a 2,548 square foot single-family residence built in 1937. Appellant challenges only the improvements' value.

Taxpayer charged subject has an assessed value that is unfair and out of balance with reality. Photographs were submitted to demonstrate the needed repairs or upgrades Taxpayer feels affect the value of subject. In Appellants opinion, the subject needs the

following: vinyl windows, wall insulation, new bathroom, new kitchen, updated electrical and plumbing, and roof insulation. Appellant declared that total costs would range from \$29,000 to \$105,000 depending on whether the work was contracted out or done by Taxpayer. Taxpayer obtained a list of comparable sales used by the Assessor to determine subject's value. The exterior of each residence was viewed by the taxpayer and the following personal observations and estimates were noted:

	Sale Price	Estimated Superior Value
<b>Comparable Sale 1</b>	\$170,000	New vinyl siding + \$15,000
<b>Comparable Sale 2</b>	\$185,000	Lot same depth but twice as wide + \$24,000
<b>Comparable Sale 3</b>	\$181,000	New addition to house and new two car garage, new siding +\$35,000
<b>Comparable Sale 4 *NOT USED BY RESPONDENT</b>	\$179,000	Superior neighborhood

Respondent made no physical inspection of subject nor the comparable sales. Therefore the interior conditions were unknown. Respondent used the same comparable sales 1-3 as Taxpayer and broke them down as follows:

	Sale Date	Sale Price	Square Feet	Year built	Total Assessed Building/ Land Value	Sale Price per square foot	Assessed Value per square foot
<b>Subject</b>		<b>\$171,360 (assessed value)</b>	<b>2548</b>	<b>1937</b>	<b>\$138,600 \$32,760</b>		<b>\$54.40</b>
Comparable Sale *THIS COMPARABLE NOT LISTED BY TAXPAYER	7/05	\$225,000	2,376	1931	\$128,044 \$27,310	\$83.20	\$53.89
Comparable Sale 1	7/05	\$170,000	1,388	1948	\$94,603 \$23,875	\$105.27	\$68.16
Comparable Sale 2	10/05	\$185,000	2,239	1938	\$135,139 \$37,200	\$66.01	\$60.36
Comparable Sale 3	12/05	\$181,000	1,972	1900	\$84,983 \$26,800	\$78.19	\$43.10

The sales above are similar to the subject in location, size, and age.

Respondent subtracted the assessed land value from the sale price to determine a price per square foot for the improvements. The adjusted sale price per square foot ranged from \$66 to \$105 and the residences ranged in size from 1,388 square feet to 2,376 square feet. Subject residence is 2,548 square feet and has an adjusted assessed value of \$45.40 per square foot.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho is a market value state for property tax purposes.

Idaho Code Section 63-205. ASSESSMENT -- MARKET VALUE FOR ASSESSMENT PURPOSES.

(1) All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied, except as otherwise provided. Market value for assessment purposes shall be determined according to the requirements of this title or the rules promulgated by the state tax commission. (2) Personal property coming into the state after January 1 shall be assessed as of the date of entry into the state in accordance with sections 63-311(3) and 63-602Y, Idaho Code.

Idaho Code § 63-201(10) defines market value:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

In determining the value of property the assessor may and should consider cost, location, actual cash sale value and all other factors, known or available to his knowledge, which affect the value of the property assessed. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

Neither the interior condition of subject nor that of the comparable sales was inspected by the Assessor. Some assumptions must be made when comparing properties, because the Assessor does not have access to the interior of residences or all sales information.

Appellant offered the same comparable sales to support the value claim, and made observations from the exterior condition of the sales in arriving at an estimated value for subject. It is unclear if the cited improvements were made before or after the sales. Appellant did not submit independent or professional estimates of value for the Board to review. Presuming the cited improvements were present at sale, Appellants adjustments are not conclusive evidence subject's assessed value is wrong.

Recent, proximate sales of similar property are considered good evidence of market value. In this case, the sales support the value placed on subject.

The Board finds Appellant did not prove by a preponderance of evidence that subject was over assessed. Therefore, this Board finds for Latah County and will affirm the decision of the Board of Equalization.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Latah County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 5th day of March , 2007.